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Gaps in Canadian Measures of Support;

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GAPS IN CANADIAN MEASURES OF SUPPORTIntroduction

We are talking about poverty at this Conference and I have been asked to comment on those gaps in our system of public support which may mean poverty to the individual without other resources. In doing so, my first task is to talk about the gaps in the Canadian structure of social security but I also want to make reference to some services which, if not provided on a public basis, may mean deprivation to the individual.

But before picking out the holes in social security and services, there is something to be said for starting off on a positive note, and I do this by stating that many of our social security measure have a universal quality which takes in the very poor and the very rich alike. For example, in our family allowances programme we have a weapon against poverty which the Americans in their struggle do not possess. The provision of Old Age Security at 70 for all, and plans for a progressive annual reduction of age eligibility to 65, is another example. Although there are a variety of hospital insurance schemes throughout Canada, it can be said too that there is a quality of universality within them.

The Canada Pension Plan in being contributory, is somewhat akin to the American pattern. But the Minister of National Health and Welfare in her presentation to the Joint Committee of the Senate and House of Commons, stated that the objective was to have as comprehensive coverage as possible. Its real exclusion applies to employees with an income of \$600.00 a year or less

and the self employed making less than \$800.00 a year. Thus exclusion depends on income rather than a large category of workers as is so often the case.

You know from recent announcements that federal action on medical care in the United States is not universal since it is focused on the aged. The degree of universality to be achieved in this country has been a matter of debate, although I would argue that we shall achieve universality but probably with a variety of administrative patterns, some of which involve the private sector.

The Gaps That Remain

In the foregoing comments, I have tried to show that in the main we reach down to the very poor in some important programmes of security. What I want to do now is point up the other gaps that we should fill.

Unemployment Insurance

One fruitful area for exploration of gaps of coverage lies in the Unemployment Insurance programme. In fact, part of the job was done for us by the Gill Commission but unfortunately no action has yet been taken.

There may be quarrels with some of the basic recommendations of the Gill Commission but it was encouraging in advancing the philosophy of universal coverage. Coverage was to be extended to the higher paid and more permanently paid people such as civil servants, teachers and police. In short, there was to be inclusion of all persons in an employer-employee relationship.

We turn now to the recommendations for those who might be beneath the poverty line. Coverage was suggested for employees of hospitals and charitable institutions. The Gill Commission did not recommend immediate coverage for agricultural workers and domestic servants because it was concerned with administrative groups to be extended. The Canada Pension Plan is going to cover these two groups if they do not fall below the income limits and there seems no reason why this lead should not be followed by the Unemployment Insurance Commission.

Of particular interest to the coastal areas is the Gill Commission's findings and recommendations relating to fishermen. The Commission stated that many fishermen are suffering from chronic under-employment and not able to maintain an acceptable standard of living without assistance. In short, poverty is substantial.

The crux of the question is that fishermen are largely self-employed and thus do not have an employer-employee relationship. It is hard to determine when they are employed and not employed. Surprisingly enough, there is also an element of the "upside down" welfare state since in the words of the Commission "the largest benefits are paid to those who have the best record of fish sales. Thus those who most need assistance may get the least amount".

It would indeed take a Solomon to devise a satisfactory plan of coverage. A basic trouble is that some places that are under-stocked with fish are over-stocked with fishermen. Thus it can be argued that the whole industry needs to be rationalized.

The Gill Commission did not go that far. Rather it argued that a uniform benefit should be provided for all fishermen in an area rather than the weekly sales of fish. This rate was to be in line with average unemployment unsirance benefit. A further recommendation was that the duration of benefit be uniform in a particular area. Some rationalization was to be demanded of the fisherman by having him show attachment to the fishing industry in reference to normal fishing patterns and legal fishing periods.

In talking about coverage of anything in life it is wise to ask just what coverage covers. The present maximum of \$36 per week, or \$1872 a year, is beneath about any poverty line that you might care to define. It should be noted too that a rise in prices means that the value of a claim in 1955 has been decreased by 14 per cent in purchasing value.

It should be stated that there is a single dependency allowance which at present time amounts to \$9 a week.

The Gill Commission, which could hardly be described as an ultra generous body, was willing to establish a general benefit standard of 60 per cent of the insured wage for claimants with a dependent. This would provide a maximum of at least \$44.00 weekly for a claimant or a total of \$2288 a year. It rejected the suggestion that there be higher benefit rates related to the number of dependents on the basis that Canada has a programme of family allowances; something which you may well regard as an example of poor logic.

While the Gill Commission talked about extending coverage in unemployment insurance, it also had recommendations for limiting some categories. One of these was seasonal benefits. The Committee stated that the existing seasonal benefit was the subject of more criticism in briefs received than any other feature of the existing plan.

A major criticism was that recipients of seasonal benefits are often persons engaged in seasonal employment who have every expectation of becoming unemployed during the winter months as a regular pattern. In short, the critics complained that the benefit is not an insurance benefit at all but is, instead, a subsidy for those things that are certain to come about. The Gill Commission made it clear that the objection was not so much that persons who work in insured employment only part of the year receive a subsidy during the off season, but rather that the subsidy is drawn from the insurance plan and is financed by insurance contributions.

The proposed solution was what was called a plan of extended unemployment benefits. The cost would be met by the federal government from its general taxation revenues. This would mean that Canada would have a three-tier plan of unemployment insurance, extended unemployment benefits and unemployment assistance.

There are many other things that could be said about unemployment insurance. But the basic point is that a public report was produced on it and nothing has been done about its recommendations either by approval or rejection. And I believe that it can be

fairly said that unemployment insurance is often the subject of public controversy. Moreover, the programme has been in effect for nearly 25 years, admittedly with some changes. There is no need for another Commission but there is the need for government analysis on major problems of the programme and appropriate action on them.

The National Employment Service

Before leaving the Gill Commission, I should refer to another major recommendation of the Gill Commission and that pertains to the National Employment Service. It was suggested that for too long the Service had been considered merely an adjunct to the insurance plan. It was recommended that the National Employment Service be transferred to the Department of Labour and, further, that there be an upgrading of staff. As you know, the transfer has now been made.

But we should pay attention to another comment and that is that the National Employment Service play a leading position in the operation and design of a national welfare policy and in the efforts to solve unemployment problems. Surely this should now be given the greatest public attention. We are confronted today with new kinds of uncertainties including the harsh role of the poverty group in the affluent society, the yet unknown impact of automation and the meaning of the new leisure. We have developed both buildings and programmes for a variety of kinds of training but it is a good question if we know what we are training for in the world of tomorrow. And it is likely that training and education

will be far more pervasive than today and we may ultimately see the day when workers in the plant will put down their tools at noon and pick up their books for study sessions right in the factory. All these issues cry for exploration and research, and even some shrewd speculation on future events, and the National Employment Service needs to give the lead. We had a White Paper on Employment in the 1940's and what we need today is a similar document with a focus on employment and training.

The Canada Pension Plan

I do not plan to comment at length on the Canada Pension Plan but I would draw your attention to a recent article in *The Social Worker* on "The Unfinished Business in Social Security" by Professor John S. Morgan and Professor Albert Rose. (1) To say that it is controversial is to engage in an understatement.

One of the points that the authors point out is that the Canada Pension Plan sets a basic flat-rate of benefit for three new classes of person, namely disabled persons, widows over 45 (with an option to widows between 35 and 45 to take a pension on pro rata reduction by age), and the orphans of a deceased parent. In the views of the authors the \$25 a month has no ascertainable basis other than a mathematical one. They contend that even with the wage related supplements, and even when the Canada Pension Plan has reached maturity in 1981, a disabled person with a solid average

(1) John S. Morgan and Albert Rose, "The Unfinished Business in Social Security", The Social Worker, Vol. 33 (July 1965) pp. 182-189

earning of \$5,000 a year will receive a pension of \$110 a month (or \$1320 a year) which is quite insufficient to enable him to live at any reasonable standard of subsistence in any part of Canada - let alone support any dependents.

Professors Morgan and Rose are also concerned about the regressive aspects of taxation both for the Old Age Security Act and the new Plan. The former is regressive in personal income tax in that the rate of 4 per cent on taxable income goes up only to a maximum of \$3,000. Moreover, there is a cutt-off of \$5,000 of earned income under the Canada Pension Plan. What Morgan and Rose fear is that the new programme may transfer the support of many people from the progressive tax programmes of the federal and provincial governments to what they regard as regressive taxation.

No doubt the quoted article will prompt debate in many places but there will be no quarrel with the statement that "...we must have a public assistance programme which ensures an adequate income on an individualized basis" (1). But surely a basic start has been made on this by the Canada Assistance Plan, although its basic functioning will be determined by the provinces.

A group of concern to me is those who do not qualify for the Canada Pension Plan at all because of income limitation. This is where public assistance must do the job of bringing equality of treatment to those in equal conditions of need.

(1) Ibid p. 189

Adjustment for Increases in the Cost of Living

One of the features of the Canada Pension Plan is that all benefits within its scope will be increased periodically if the level of prices rises. The Consumer Price Index will be the gauge.

Increases of less than 1 per cent will not be taken into account. The maximum increase will be 2 per cent from one year to the next. Should prices decline, pensions will not be reduced.

One comment that can be made is that the Canadian Welfare Council recommended to the Special Joint Committee of the Senate and House of Commons that the escalation of benefits be tied to a standard of living rather than to a cost of living index.

But probably the point of most interest is that the federal government has for the first time in a social security provided for a regular review of the Consumer Price Index and will take upward action if indicated. Of course, benefits have been increased from time to time for a number of programmes on a rather pragmatic basis.

The question is whether the same or similar formula should apply to other federal programmes and in the provinces for workmen's compensation and social assistance. I recall that there was considerable debate about this in the hearings on Old Age Security in 1950's.

The opponents of cost of living adjustment seem to base their opposition on a sort of grudging image of social security. To them, people are more than fortunate in getting such things as Family Allowances and there should be no periodic tinkering with the programme. I think that it can be said that such a view has

no validity in a society both affluent and scientifically minded.

Provincial Programmes of Coverage

Up to now I have been talking about coverage in programmes that come within the federal sphere. I would like now to make a few comments about provincial and local responsibilities in coverage.

Implications of Canada Assistance Plan

Here, we must, of course, welcome the advent of the Canada Assistance Plan. Its various forms of aid to the provinces including the needs approach and sharing of public assistance, medical care and administrative costs, will make the task easier of providing adequacy for all who come within the provincial and local scope. Thus, the task seems not so much one of having to add new forms of coverage as using the additional resources to strengthen current benefits and services.

For example, it is my impression that there is not much of a scientific spirit in most provinces when levels of assistance are being set. It seems to be a pretty casual business although some private organizations, notably in Toronto and Vancouver have taken a lively interest in the subject. And the Boucher Committee in its study of public assistance in Quebec struggled with the problem. (1)

The need for proper methods of definition of adequacy is made the more necessary by the fact that social assistance, social aid, or

(1) See James Gripton, "Blueprint for Revolution in Public Welfare in Quebec". An Essay Review", Social Service Review, Vol. 34, (Sept. 1965) pp. 320-332.

unemployment assistance (whatever the designation may be) recipients really have no lobby working for them. The aged represent a definite community force and I am always impressed with the interest that labour takes in workmen's compensation. At times it seems that every business agent is a social worker. The result is that workmen's compensation has a special status in our network of social security. So my point is that the definition of standards of social assistance is a matter of public administration and political conscience.

In speaking of coverage, in social assistance, I am going to do a little reaching and talk a little about what might be called therapy coverage. By this I mean the mobilization of casework and other services to not only get the recipient off the rolls but also to help him be a better adjusted person. The Americans have done more on this kind of project than we and I believe that every study from the Canal Street project in Chicago to the more recent Marin County study in the San Francisco Area have shown that movement will occur in caseloads with good intensive work. And to put the thing on a purely monetary basis, it doesn't take many cases to be removed from the rolls to pay the salary of a good social worker. (2)

When we talk of coverage today I think too that we much give special attention to the single unemployed man. This sounds like old-time depression talk as everybody talked about the single unemployed man in those days. But there is a rising concern about

(2) For a realistic appraisal of the role of casework in a poverty programme see, Aleanor Merrifield, "Implications of the Poverty Program: The Caseworker's View", Social Service Review, Vol. 34, (Sept. 1965) pp. 294-299.

"skid road" in large cities and the kinds of projects than can be worthwhile in rehabilitation of the more promising of the older group.

I am going to do a bit more stretching in discussing coverage and say that the worst mistake that could be made in trying to give total coverage to caseload, in both a financial and a treatment way, is to regard the task simply as a social welfare responsibility. If a programme on poverty is to mean anything it must mean joint operations of education, labour, health and welfare.

Assistance and Incentive

I have been asked to say something about wage levels and assistance levels. I hesitate to do so, as I think that this more properly comes within the scope of the economist. But I am willing to make a few comments on whether adequacy in public assistance is a threat to the moral fibre of the nation.

The best answer has probably been given by Galbraith. He acknowledges that, when poverty was a major phenomena, the assurance of a minimum standard of living could not be afforded. In short, "A poor society.....had to enforce the rule that the person who did not work did not eat".

Today the very poor have been transferred from a majority to a comparatively minority position. The affluent society is not justified in clinging to the historical excuse for neglecting the poor.

For one thing, modern advertising, even if unwittingly, is doing its bit to discourage marginal living on public funds. Never in the history of mankind has the individual been submitted to such a barrage of psychological devices to make him unhappy with his lot and yearn for material things which can only be obtained by money.

Another argument, and I have implied this in referring to the Canal Street and the Marin County studies, is that society today known more about mobilizing the will for effort than every before. And since education of the children of the poor will be the major instrument in the drive against poverty, we have another force to prevent deterioration of moral fibre.

And we should be quick to say that a public assistance programme should not be like a poorly run prison where everything is geared to the tough 5 per cent who want to "crash out". We should acknowledge that a small percentage of people will abuse any kind of programme, public or private, and the many of good intentions should not suffer because of the threatened cause of the few.

Aspects of Medical Care

In closing this review of coverage, I would like to discuss what everyone else is discussing these days and that is public medical care. It has two aspects. One is the provision of money to replace wages when one is sick and the other is the provision of some form of public aid to assure the services of the physician to all and to an equal degree.

We have a form of sickness benefit payments in Canada now. A person

in receipt of unemployment insurance who becomes ill continues to receive benefits for his period of eligibility. But there has really been no stirring of public opinion to provide a scheme of sickness benefits for the population as a whole. We need something of a crusade to fill this gap in our social security structure.

The proposed intervention in the provision of medical care is, of course, one of the issues of our times. I do not propose to explore all aspects of the issue but simply reflect on how we may approach the provision of medical care for those who fall below the poverty line.

It seems to me that we have two philosophical choices. One approach is to make medical care universal and provide it through some form of taxation just as we do for public education. The other is to define the poverty group, set up a special programme for it and let the rest of the population take care of itself.

My views supports the concept of universal medical care. I do not subscribe to the view that a basic community service is best guided by private interests. And I am not afraid of the role of "politics" in medical care. In my view, politics is the highest profession of all and its practitioners are the ones who make a free society function. The good things we have in life today have largely been gained through politics.

I would like to add too that I think we have had enough in history of the categorization of the poor. While we may welcome the public assistance medical aid feature of the Canada Assistance Plan, I

hope that it does not become a permanent fixture of Canadian social security. With universal medical care embracing all people within a province, the poor should not be channelled off into a separate programme any more than their children should be separated from universal public education.

Companion Measures to Coverage

It may be that the group represented at this Conference is primarily concerned with the administration of social welfare. If so, and even if only a portion is, we should look at the lack of coverage in certain fields of activity which may appear peripheral to your task but are really an integral part of the campaign against poverty.

Importance of Education

I have previously emphasized to you the importance of education in overcoming poverty, as it is the chance of the upward thrust in life that really propels individuals out of the swamps of poverty. This stands out in an article in the June, 1965 edition of the Social Service Review in which tribute is paid to the:

"...inspired leadership and stimulus of Professor T.W. Schultz to awaken the economists to the high returns from investment in human resources, particularly in education, and the large role that investment in human resources play in economic growth. Denison's findings that directly or indirectly education has accounted for two fifth's of this country's economic growth from 1929 to 1957 - twice as much as that resulting from investment in physical capital - has a significant bearing on economic and social policy". (1)

(1) Michael S. March, "Poverty: How Much Will the War Cost?", Social Service Review, XXXIX, (June 1965) pp. 141-156.
For an elaboration of the findings of Denison, see "The Sources of Economic Growth in the United States and the Alternatives Before Us." (Wash., D.C.: Committee for Economic Development, 1962).

The challenge to us all is to translate these findings into meaning for the poverty groups by such programmes as the "head start" operation in the United States, particular attention to potential school "dropouts" and some kind of work study programme for the older student who requires some aid to remain in School.

Minimum Wage and Anti-Discrimination Legislation

Education receives at least some attention but there are other areas that do not. One of them is minimum wage legislation. Labour groups constantly make appeals to different boards for increases in minimum wage legislation but this is seldom news.

Close to the issue of minimum wage policy is discrimination on ethnic or religious grounds. A number of provinces have Fair Employment Practices Acts and Fair Accommodation Practices Acts. My impression is that such legislation has a ghost-like quality to it. Seldom is there a campaign of public education about it.

The newspapers are constantly full of headlines about the bargaining process and contract negotiation. But when was the last time you saw a headline about a minimum wage law or a case under fair employment or fair accommodation practices? It is clear that, in most places, the state is primarily concerned with facilitating the bargaining procedure between well-organized labour and well-organized employers. The unorganized employees and minority subject to discrimination do not get attention in some places because they lack the legality of a labour contract. And they are subject to the administrative whims of the state in the enforcement of laws which have great meaning for them. Again the gulf widens.

Legal Services for the Poor

You may think that I am ranging far in dealing with the next topic but there is another subject on which I wish to make a plea and that relates to the administration of justice and poverty. It is a phenomena of our society today that what we hold dearest is lagging. Other programmes such as personnel administration, university programmes, social security and health programmes have all achieved new heights of quality. The administration of justice is an exception to this movement.

When he spoke to the B.C. Corrections Association about a year ago Pierre Berton said that 100 years from today society will be sickened to learn of the quality of criminal justice of today. About the same time the Chief Justice of the Supreme Court of British Columbia stated that sooner or later the state is going to step in and provide counsel for any accused person in B.C. who needs it. The Chief Justice added that many persons now appear in British Columbia courts without benefit of counsel. Since then, some changes have occurred.

In a recent edition of the Social Service Review (1), Mr. Alex Elson, a distinguished Chicago lawyer and teacher, comments on legal services to the poor and reports on an important recent conference on the subject (2). He reports that Congress has

(1) Social Service Review, XXXIX (September 1965) pp. 375-376.

(2) The Extension of Legal Services to the Poor: Conference Proceedings, November 12, 13, 14, 1964, sponsored by Office of Juvenile Delinquency and Youth Development, Welfare Administration, U.S. Department of Health Education and Welfare, Edited by Jeanette Stats. (Wash., D.C.: Government Printing Office 1965) pp. xi - 202.

enacted the Criminal Justice Act, establishing standards of services for counsel for indigent persons accused in the federal courts. A number of states have provided for or are in the process of providing similar legal services.

Neighbourhood law offices have been established in distressed areas in a number of large urban centres. The federal government for the first time, is through the office of Economic Opportunity, making substantial funds available for the extension of legal services and the development of new services to the poor.

One of the subjects on the agenda was the possible use of social workers and laymen in legal advising and counselling service. It may come as some surprise to you to know that Nicholas de B. Katzenbach, Attorney General of the United States strongly supported the idea as shown by the following quotation:

"We need what is, in effect, a new profession - a profession of advocates for the poor, made up of human beings from all professions, committed to helping others who are in trouble. That job is too big - and, I would add, too important - to be left only to lawyers."

This is indeed confirmation of Elson's statement that in the United States there is "...awakening of conscience in the professions concerned with making the dignity and worth of the individual a reality". There is a variety of ways in which the state may help the impoverished person before the court, including the public defender system and we in Canada, if we are as proud of our system as we say we are, should take the hollow ring out of our words.

The Future of Coverage

I think that we cannot conclude a discussion of gaps in coverage without some discussion of what Eveline Burns calls "Alternative Approaches to Income Maintenance". (1) In her article she discusses the ideas of Professor Milton Friedman, Lady Rhys Williams, Professor Alan J. Peacock and the Triple Revolution group of whom the best known is Robert Theobald. What they all discuss in their own way is the concept of the national minimum and the achievement of it without all the complicated structure of social security today in many countries. You have heard discussion yourselves along this line when people talk in a general way about the idea of a guaranteed income for all.

In Canada a year ago a number of people in Ottawa were fortunate enough to sit in with Professor Richard Titmuss when he talked of "Poverty and Social Security" (2). One point that interested me was that, in his opinion we are different in our view from the Americans in our image of poverty. He claims that we do not look upon poverty as a problem of social pathology but rather as "ordinary decent human beings caught in a whole complex of change". If this is so, it is intuitive, as I don't think that we have given enough thought to poverty, as a nation to arrive at any philosophical position.

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- (1) Eveline M. Burns, "Social Security in Evolution: Toward What?" Social Service Review, XXXIX, (June 1965) pp. 129-140.
For responses to the above article see letter to editor by Edward S. Schwartz, in Social Service Review, XXXIX, (September 1965) pp. 342-344.
- (2) Richard Titmuss, "Poverty and Social Security" Canadian Welfare, Vol. 41 (May - June 1965) pp. 114-120.

But what may have startled Titmuss' listeners is that he, for one, never really believed that the Beveridge Report, and all that flowed from it on the post-war social insurance legislation, was in any sense a major change towards an egalitarian society. In short, "The Beveridge Report was, in a way, a backward view of British Society". It looked to the 1930's rather than to the 1950's or 1960's.

Titmuss holds that Beveridge was wrong in his view that more welfare inevitably meant more redistribution of income and wealth in favour of the poor. He states that when Britain brings in a new superannuation plan it will represent a new approach because it will bring about a redistribution of income to an extent that the previous scheme did not. In other words, "flat rateism" will disappear.

But what should intrigue us most at this time is that Britain has also developed the notion of the "income guarantee". It apparently will be confined to those over 65 at the outset but a prominent member of the British Labour Party recently predicted that by 1967 a guaranteed income plan will probably be worked out.

Thus, in Britain and the United States at least, there is a good measure of ferment about the structure of social security and the notion of the guaranteed income. But Titmuss warns us that the administration of the guaranteed income has its own administrative complexity. But, in spite of this, I trust that in the discussion

of coverage in Canada the idea of the guaranteed income will get a thorough airing. In the meantime, we should push on and achieve the goals in coverage which may be more readily available to us at this time in our history.

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